

# SENATE BILL REPORT

## ESHB 1636

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As of March 21, 2011

**Title:** An act relating to amateur sports officials.

**Brief Description:** Concerning services performed by amateur sports officials.

**Sponsors:** House Committee on Labor & Workforce Development (originally sponsored by Representatives Upthegrove, Nealey, Ormsby, Green, Fitzgibbon, Liias, Orcutt, Maxwell, Sullivan, Pedersen, Anderson, Van De Wege, McCune, Orwall, Ross, Goodman, Sells, Bailey, Stanford, Pearson, Roberts, Kristiansen, Warnick, Cody, Moscoso and Billig).

**Brief History:** Passed House: 2/22/11, 94-0.

**Committee Activity:** Labor, Commerce & Consumer Protection: 3/10/11.

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### SENATE COMMITTEE ON LABOR, COMMERCE & CONSUMER PROTECTION

**Staff:** Mac Nicholson (786-7445)

**Background:** Under state unemployment insurance statutes, an employer is responsible for paying taxes on services considered covered employment. The definition of employment includes personal service of any nature that is performed for wages or under any contract calling for the performance of personal services. Certain services performed by individuals are excluded from the definition of covered employment, as are services performed by independent contractors.

A services referral agency is a business that offers the services of an individual to perform specific tasks for a third party. Personal services performed for a third party pursuant to a contract with a services referral agency are deemed to be covered employment for the agency when the agency is responsible for the payment of wages for those services.

**Summary of Bill:** Services performed by amateur sports officials are not considered employment for the purposes of unemployment insurance. This exemption does not apply to sports official services performed for certain nonprofit organizations, state and local governments, or Indian tribes.

Services performed by amateur sports officials and not considered employment for a services referral agency if the agency is not responsible for payment to the official until the agency is paid or reimbursed by a third party.

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*This analysis was prepared by non-partisan legislative staff for the use of legislative members in their deliberations. This analysis is not a part of the legislation nor does it constitute a statement of legislative intent.*

An amateur sports official is any person who serves as a neutral participant in any sports contest where players are not compensated.

**Appropriation:** None.

**Fiscal Note:** Available.

**Committee/Commission/Task Force Created:** No.

**Effective Date:** Ninety days after adjournment of session in which bill is passed.

**Staff Summary of Public Testimony:** PRO: Small officials associations shouldn't be considered employers if they're just passing through money from the school. By keeping association costs down, there's less costs for sporting events in the community and it helps keep sports accessible. There have been audits of amateur sports official associations that have raised questions about whether the associations are employers or not, and the findings have generally found they are employers. This finding doesn't fit with historical practice, and the bill codifies the status quo. The bill will help keep the cost of officiating down. Sports official associations are volunteer run to provide centralized billing and assigning duties.

OTHER: Current unemployment coverage for associations varies across the state depending on how the association providing the officials is set up.

**Persons Testifying:** PRO: Representative Upthegrove, prime sponsor; Nancy Pacharzina, Tim Gately, Pacific Northwest Basketball Officials Assn., Northwest Baseball Umpires Assn.; Adam Stanbore; Tom Butler, State Referee Committee; Megan Rabin, Kayleen Dunson, Lori Bish, Seattle Metro Softball Umpires Assn.

OTHER: Lisa Marsh, Employment Security Department.